

**MEDICAL BOARD STAFF REPORT**

DATE REPORT ISSUED: July 8, 2008  
DEPARTMENT: Executive Office  
SUBJECT: Proposed Regulations – Reduction in License Fees  
to Offset Loss of Diversion Program  
STAFF CONTACT: Kevin A. Schunke

REQUESTED ACTION:

Approve a request to modify the proposed regulatory language to allow for an effective date of July 1, 2009. Staff should notice the modified text with a 15-day public comment period. If there are no adverse comments, the Board delegates to the Executive Officer the authority to adopt the regulation.

STAFF RECOMMENDATION:

To allow for the timely implementation of the reduction of the initial and renewal licensing fees through the regulatory process in an amount commensurate with the decrease in spending authority due to the discontinuation of the Board's Diversion Program, staff recommends that the language be amended to allow for a later effective date.

EXECUTIVE SUMMARY:

Section 2435.2 of the Business and Professions Code states that the Board shall reduce license and renewal fees if the Diversion Program is eliminated. At the April 24, 2008, Board meeting, a hearing was held on the proposed regulations to implement Section 2435.2.

The time to finalize the file at the Board and move it forward through the approval process was not adequately estimated. Assuming the file is submitted to the Office of Administrative Law by January 1, 2009 and approved by February 1, 2009, this still allows for the four-month window needed to format changes to the printing and mailing of renewal notices. Further, for accounting purposes, it seems logical that the fee reduction take effect at the beginning of Fiscal Year 09-10, instead of the last month or two of the previous fiscal year. Therefore, staff recommends a modified effective date of July 1, 2009.

FISCAL CONSIDERATIONS:

None. This is a cost-neutral proposal.

PREVIOUS MBC AND/OR COMMITTEE ACTION:

At the April 24, 2008 Board meeting, a hearing was held on the proposed regulations to implement Section 2435.2.

**Medical Board of California  
Specific Language of Proposed Regulations**

**Reduction in Initial License Fee and Renewal Fee to Offset  
Elimination of Diversion Program**

MODIFIED TEXT: Additions to the originally proposed language are shown by double underline for new text and deletions to the originally proposed language are shown by a strikeout and single underline.

Amend Section 1351.1 and Section 1352, Title 16, California Code of Regulations to read as follows:

Section 1351.5. Initial License Fee.

~~The initial fee for licensure as a physician and surgeon or for a special faculty permit shall be \$600 for licensing periods beginning on or after January 1, 1994. The initial license fee for licensure as a physician or surgeon or for a special faculty permit shall be \$805 for licensing periods beginning on or after January 1, 2007. The initial license fee shall be \$783 for licensing periods beginning on or after November 1, 2008~~ July 1, 2009.

Note: Authority cited: Sections 125.3, 2018, 2168.4 and 2436, Business and Professions Code. Reference: Sections 125.3, 2168.4 and 2435, Business and Professions Code.

Section 1352. Renewal Fee.

~~The biennial renewal fee for licenses or special faculty permits which expire on or after February 28, 1997 shall be \$600. The biennial renewal fee for licenses or special faculty permits which expire on or after January 1, 2007 shall be \$805. The biennial renewal fee for licenses or special faculty permits which expire on or after November 1, 2008~~ July 1, 2009 shall be \$783.

Note: Authority cited: Sections 125.3, 2018, 2168.4 and 2436, Business and Professions Code. Reference: Sections 125.3, 2168.4 and 2435, Business and Professions Code.